

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE MORGAN COUNTY WATER)
DISTRICT, A WATER DISTRICT ORGANIZED PURSUANT)
TO CHAPTER 74 OF THE KENTUCKY REVISED STATUTES,)
IN MORGAN COUNTY, KENTUCKY, AND THE COUNTY OF)
MORGAN, KENTUCKY ACTING BY AND THROUGH ITS FISCAL)
COURT FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AUTHORIZING AND PERMITTING THE)
CONVEYANCE OF PHASE I OF THE IDENTIFIED WATER)
DISTRIBUTION SYSTEM IMPROVEMENTS FROM THE COUNTY)
TO THE DISTRICT; (2) A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AUTHORIZING AND)
PERMITTING SAID WATER DISTRICT TO CONSTRUCT WATER)
DISTRIBUTION SYSTEM IMPROVEMENTS, CONSISTING OF)
PHASE II HEREINAFTER IDENTIFIED; (3) THE APPROVAL)
OF THE PROPOSED PLAN OF FINANCING SAID PHASE II;)
AND (4) THE APPROVAL OF RATES AND CHARGES FOR)
WATER SERVICE SUPPLIED BY THE DISTRICT)

CASE NO.
93-438

O R D E R

On November 22, 1993, Morgan County Water District ("Morgan Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$792,000 waterworks improvement project, for approval of its plan of financing for this project, and for approval of initial water service rates. This project will provide service to 362 additional customers. Project funding includes a \$300,000 loan from the Farmers Home Administration ("FmHA"), a \$235,000 grant from FmHA, a \$195,000 grant from the Appalachian Regional Commission ("ARC"), and \$62,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Morgan Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on December 3, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Morgan Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Morgan Water's proposed plan of financing with FmHA and ARC is accepted.

3. Morgan Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. Morgan Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


6. Morgan Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer

falls outside the requirements of 807 KAR 5:066, Section 5(1), Morgan Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-438 DATED DECEMBER 20, 1993

The following rates and charges are prescribed for the customers in the area served by Morgan County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage</u>		<u>Charges</u>
First	2,000 Gallons	\$12.00 Minimum Bill
Next	3,000 Gallons	5.00 Per 1,000 Gallons
Next	5,000 Gallons	4.00 Per 1,000 Gallons
Next	5,000 Gallons	3.75 Per 1,000 Gallons
All Over	15,000 Gallons	3.50 Per 1,000 Gallons
Tap-On Fee		\$300